

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order IPI-460
January 27, 2014

Mr. Jason Wacker
BC Operating, Inc.
PO Box 50820
Midland, TX 79710

RE: Injection Pressure Increase

Injection Permit: Division Order R-13361
Pool: Lovington; Grayburg-San Andres Pool (Pool code: 40580)
Angell Well No. 3 API 30-025-39690
Unit H, Sec 11, T17S, R36E, NMPM, Lea County, New Mexico

Dear Mr. Wacker:

Reference is made to your request on behalf of BC Operating, Inc. (OGRID 160825) received by the Division on September 3, 2013, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for pressure maintenance in the San Andres formation by Division Hearing Order R-13361 approved December 2, 2010. The Order established the Angell Lease Pressure Maintenance Project and permitted the injection of produced water into the San Andres formation from approximately 4082 feet to 5432 feet. The Division allowed a maximum surface disposal pressure of 960 pound per square inch gauge (psig) with Hearing Order R-13361.

It is our understanding that this well will not take a sufficient volume of fluid at the current pressure limit and a higher pressure limit is needed. It is also understood that an increase will not result in the fracturing of the formation and confining strata.

Based on a step-rate test for this well conducted August 26, 2013, through 2 7/8-inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:


Angell Well No. 3	API 30-025-39690	<u>2700 psig</u>
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This approval is based on the provision that the tubing size, packer setting depth and completion interval for this well does not change. Any future requested pressure increase will require resubmission of additional data and a new step-rate test. The Division Director retains the right to require at any time

wireline verification of completion and packer setting depths in this well. This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 19.15.5.9 NMAC.

The Division Director may rescind this permitted injection pressure increase if it becomes apparent that the injected fluid is not being confined to the permitted disposal interval or is endangering any fresh water aquifer.

Sincerely,


JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs
State Land Office – Oil, Gas and Minerals Division
Case File No. 14571